

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Western Landing, located at 25820-25896 S. Western Avenues. in Los Angeles, requested and is being recommended for a reservation of \$2,021,706 in annual federal tax credits to finance the new construction of 80 units of housing serving special needs tenants with rents affordable to households earning 30%-30% of area median income (AMI). The project will be developed by Abode Communities and will be located in Senate District 66 and Assembly District 35.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Housing for a Healthy California (HHC) program of

Project Number CA-22-548

Project Name Western Landing
 Site Address: 25820-25896 S. Western Avenues.
 Los Angeles, CA 90710 County: Los Angeles
 Census Tract: 2933.07

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,021,706	\$0
Recommended:	\$2,021,706	\$0

Applicant Information

Applicant: Western Landing, L.P.
 Contact: Lara Regus
 Address: 1149 S. Hill Street, Suite 700
 Los Angeles, CA 90015
 Phone: 213-225-2812
 Email: lregus@abodecommunities.org

General Partner(s) or Principal Owner(s): Western Landing GP, LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Abode Communities
 Developer: Abode Communities
 Bond Issuer: City of Los Angeles
 Investor/Consultant: California Housing Partnership
 Management Agent: Abode Communities

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 81
 No. / % of Low Income Units: 80 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax Exempt / HUD Section 8 Project Based Vouchers
 (80 units - 100%)

Information

Housing Type: Special Needs
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	80	100%

Unit Mix

80 SRO/Studio Units
1 2-Bedroom Units
<u>81 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
80 SRO/Studio	30%	\$625
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,564,773
Construction Costs	\$26,650,901
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,672,703
Soft Cost Contingency	\$539,266
Relocation	\$0
Architectural/Engineering	\$1,443,775
Const. Interest, Perm. Financing	\$6,252,210
Legal Fees	\$401,000
Reserves	\$344,327
Other Costs	\$2,612,229
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$47,981,184

Residential

Construction Cost Per Square Foot:	\$616
Per Unit Cost:	\$592,360
True Cash Per Unit Cost*:	\$588,657

Construction Financing

Source	Amount
Chase Tax Exempt	\$23,894,434
Chase Taxable	\$12,591,476
LAHD - HHH	\$8,094,665
Costs Deferred Until Conversion	\$1,284,537
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$1,816,072

Permanent Financing

Source	Amount
Chase	\$5,939,000
LAHD - HHH	\$8,094,665
HCD - HHC	\$14,000,000
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$19,647,519
TOTAL	\$47,981,184

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$38,878,964
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$50,542,653
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,021,706
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.97183

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.